



November 13, 2013

Item No. 13

AUTHORIZATION TO EXECUTE AN AGREEMENT TO ENTER INTO A HOUSING ASSISTANCE PAYMENTS CONTRACT FOR VETERANS NEW BEGINNINGS

To the Honorable Board of Commissioners:

RECOMMENDATION

It is recommended that the Board of Commissioners (Board) approve the attached Resolution authorizing the Chief Executive Officer or his designee to 1.) execute an Agreement to enter into a Housing Assistance Payments Contract (AHAP) for Veterans New Beginnings; 2.) execute a Housing Assistance Payments Contract (HAP) for Veterans New Beginnings and 3.) execute all other documents as may be necessary or appropriate to implement the foregoing.

CORPORATE GOAL

The proposed contract supports Plan Forward Goal #1: coordinating public and private investments to develop healthy, vibrant communities.

This contract will result in more affordable housing opportunities for veterans by providing Property Rental Assistance (PRA) for up to 48 apartments as detailed below.

FUNDING: Housing Choice Voucher Program (HCV)

PROPERTY SUMMARY

Development Name	Community / Ward / Alderman	Developer / Owner	Target Population	PRA Units	Total Units
Veterans New Beginnings	Auburn Gresham; 21st Ward; Howard Brookins	New Pisgah Missionary Baptist Church, NFP	Supportive Housing for Homeless Veterans	up to 48	54

CONTRACT SUMMARY

Development Name	Funding	Contract Term	Contract Type	Initial Estimated Contract	Total Estimated Contract	Application Received
Veterans New Beginnings	HCV Program	30 Years	AHAP/ HAP Contract	\$399,168 per year	\$11,975,040 (30 years)	July 2012

Proposed Development: Veterans New Beginnings

- The property will include new construction of a 4-story elevator building located at 8130 S. Racine in the Auburn Gresham community area with 54 studio units, of which up to 48 units will be PRA.
- Building amenities include a fitness area, library/computer room, community room, outdoor patio, staffed security office, recreation room, on-site supportive services and property management.
- All units will be completely furnished. Six units will be ADA accessible; six units will be ADA adaptable.

Developer Background: New Pisgah Missionary Baptist Church

- The developer for the project will be New Pisgah Missionary Baptist Church, an Illinois not-for-profit corporation (New Pisgah) which has operated in the community for over 40 years.
- New Pisgah developed and operates two 60-unit U.S. Department of Housing and Urban Development (HUD) Section 202 elderly supportive housing properties, which are fully occupied and have waiting lists of over 100 applicants.

Financing

- City of Chicago HOME Loan: \$2.2M
- Low Income Housing Tax Credit Equity: \$10.7M
- Federal Home Loan Bank: \$315,463
- Illinois Dept. of Commerce & Economic Opportunity Grant: \$119,234
- Deferred Developer Fee: \$219,846
- New Pisgah will also apply to the Chicago Low Income Housing Trust Fund (CLIHTF) for rental assistance for approximately 16 of the 48 PRA assisted units. If approved, every unit assisted by CLIHTF would result in a reduction of the number of PRA assisted units.
- New Pisgah and CHA will seek consent from the U.S. Department of Veteran Affairs to utilize vouchers from the Veteran Affairs Supportive Housing (VASH) program for a portion of the 48 PRA assisted units. If approved, every unit assisted by VASH would result in a further reduction in the number of PRA assisted units.

Waiting List / Occupancy Process

It is the intent of the owner/manager of Veterans New Beginnings to lease all of the PRA assisted units to eligible homeless veterans from the CHA's waiting lists. CHA will refer veterans from the Public Housing and PRA waiting lists as well as veterans whose right of return under the Relocation Rights Contract has not been satisfied. The CHA waiting lists will be exhausted prior to utilization of a site based waiting list.

Six units not supported by the CHA PRA contract will receive referrals and operating subsidy from the State of Illinois Permanent Supportive Housing program. Any units subsequently assisted by either CLIHTF or VASH programs will adhere to the waiting list processes for those programs.

Conclusion

The Board action recommended in this item complies in all material respects with all applicable Chicago Housing Authority board policies and all applicable federal procurement laws.

The Chief Housing Officer concurs with the recommendation to execute an AHAP and HAP contract for Veterans New Beginnings.

The CEO/President recommends the approval to execute an AHAP and HAP contract for Veterans New Beginnings.

RESOLUTION 2013-CHA-106

WHEREAS, the Board of Commissioners of the Chicago Housing Authority has reviewed the Board letter dated November 13, 2013 requesting authorization to execute an Agreement to Enter into a Housing Assistance Payments Contract for Veterans New Beginnings;

THEREFORE, BE IT RESOLVED BY THE CHICAGO HOUSING AUTHORITY:

THAT, the Board of Commissioners authorizes the Chief Executive Officer or his designee to 1) execute an Agreement to enter into a Housing Assistance Payments (AHAP) Contract for Veterans New Beginnings; 2) execute a Housing Assistance Payments (HAP) Contract for Veterans New Beginnings; and 2) execute all other documents as may be necessary or appropriate to implement the foregoing.



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